



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Scott McCallum, Governor
Connie L. O'Connell, Commissioner

Wisconsin.gov

121 East Wilson Street • P.O. Box 7873
Madison, Wisconsin 53707-7873
Phone: (608) 266-3585 • Fax: (608) 266-9935
E-Mail: information@oci.state.wi.us
http://badger.state.wi.us/agencies/oci/oci_home.htm

TO: All Property and Casualty Insurers Writing Commercial Liability Insurance in the State of Wisconsin

FROM: Connie L. O'Connell
Commissioner of Insurance

SUBJECT: Reporting Forms for Commercial Liability Insurance

Attached you will find the reporting forms and instructions for the annual report of commercial liability insurance data—form OCI 26-055, Parts I and II. These forms are due in our office **May 1, 2002**.

Each year, in accordance with s. 601.422, Wis. Stat., our office is required to collect data from insurers who write commercial liability insurance in this state. Those insurers utilizing a rate service organization as their statistical agent are only required to file Part II of this form. The information in Part I will be provided directly to this office by your statistical agent.

Insurers **not** utilizing a statistical agent to file their commercial liability information are required to file both Part I and Part II. Insurers reaching either of the two thresholds listed below for any policy year from 1992 to 2000 are required to report data beginning with the year in which the threshold was met and for all subsequent years. The thresholds are as follows:

1. \$300,000 total commercial liability premiums.
2. \$50,000 for any one category.

Those insurers who **do** use a statistical agent are required to file Part II only for all policy years from 1992 through 2000, regardless of whether or not the premium threshold is met.

One copy of form OCI 26-055 Part I and form OCI 26-055 Part II are enclosed. Please copy these forms so that you have one for each policy year you are required to report.

Insurers who have not met the premium threshold are not required to return the forms.

Please send the reporting forms directly to Laura Iliff. **Do not fax the forms to our office.** You may request additional time for mailing by calling Ms. Iliff.

If you have any questions, please feel free to call Laura Iliff at (608) 266-3060 or e-mail at laura.iliff@oci.state.wi.us.

Attachments

**INSTRUCTIONS FOR COMMERCIAL LIABILITY INSURANCE REPORT
PART I—FORM OCI 26-055**

This form is designed to be used by statistical agents in partial fulfillment of the reporting requirements of s. 601.422, Wis. Stat., and by companies not utilizing a rate service organization.

The information collected on this form is to be reported on a policy-year basis for premium allocated to insureds located in Wisconsin. The required data is for direct business only; premium and losses due to reinsurance transactions are to be excluded. One copy of the form is included in this packet. Please make sufficient copies of the form for each of the policy years 1992—2000.

If any member of a group licensed in Wisconsin exceeds the following thresholds, all of the experience of the members of the group licensed in Wisconsin must be reported when group reporting is chosen.

The thresholds are as follows:

- the company writes more than \$300,000 of premium in the state of Wisconsin for the entire line of commercial liability insurance

or

- the company writes more than \$50,000 of premium in the state of Wisconsin for any one category shown on this form

Please round all dollar amounts to the nearest whole dollar.

Column Definitions

<i>Column 1</i>	Owners, Landlords & Tenants—old ISO program coverage.
<i>Column 2</i>	Manufacturers & Contractors—old ISO program coverage.
<i>Column 3</i>	Premises and Operations—coverage under new ISO program.
<i>Column 4</i>	Products and Completed Operations—coverage under new and old ISO program.
<i>Column 5</i>	Commercial General Liability Excess Coverage—separate policy written over primary coverage or insured self-retention and marketed under the title of "excess" commercial general liability coverage.
<i>Column 6</i>	Commercial Umbrella Coverage—separate policy written over one or more primary coverages and marketed under the title of "umbrella" coverage.
<i>Columns 7-13</i>	If any of these selected classifications are written on a monoline basis, or as part of a package policy with separately rated premium, applicable premium, loss, and claims data for these classifications shall be separately identified and reported on this form.

Row Definitions

The amounts entered for each data element should be cumulative and cover only the policy year stated on the heading of the form, evaluated at a stated point in time.*

- Line 1* Direct premiums earned—the total dollar amount of premiums earned.
- Line 2* Exposure units—number of standard units of exposure used in rate calculation for categories:
1) products and completed operations, 2) lawyers liability, 3) liquor liability.
- Line 3* Case reserves for outstanding claims—the total amount of case reserves established by reporting companies on outstanding claims for each policy year.
- Line 4* "Reserves" for claims incurred but not reported (IBNR)—the total dollar amount estimated for all incurred but not reported claims for the policy year. This is the residual amount found by subtracting paid and outstanding losses from ultimate incurred losses in line 10. This should include both indemnity and allocated loss adjustment expenses.
- Line 5* Allocated loss adjustment expense reserve for outstanding claims—the total dollar amount of loss adjustment expense reserve established by reporting companies on outstanding claims for each policy year.
- Line 6* Paid losses—the total dollar amount paid out in claims for each policy year (full and partial payments).
- Line 7* Paid allocated loss adjustment expenses—the total dollar amount of allocated loss adjustment expenses paid out in the settling of claims for each policy year.
- Line 8* Total paid claims count—the total number of paid claims reported to statistical agents (excludes partial payment claim counts reported to statistical agents as outstanding claims) for each policy year.
- Line 9* Total outstanding claims count—the total number of outstanding claims for each policy year.
- Line 10* Ultimate incurred losses, including allocated LAE and IBNR—the total dollar amount of loss and allocated LAE payments paid plus loss and allocated LAE reserves developed to ultimate for the policy year.
- Line 11* Ultimate incurred losses, including all loss adjustment expense.

* While December 31, 2001, is the most logical choice for the evaluation date of each policy year, a later date may be used if it is more convenient.

**INSTRUCTIONS FOR COMMERCIAL LIABILITY INSURANCE REPORT
PART II—FORM OCI 26-055**

All information requested on form OCI 26-055 is to be reported on a **policy** year basis. The information to be reported is for policies covering insureds located in Wisconsin. One copy of the form is included in this packet. Please make sufficient copies of the form for each of the policy years 1992-2000.

PLEASE ROUND ALL DOLLAR AMOUNTS TO THE NEAREST WHOLE DOLLAR.

ALL INFORMATION ENTERED ON THESE FORMS SHOULD PERTAIN ONLY TO COMMERCIAL LIABILITY INSURANCE UNLESS OTHERWISE NOTED.

Column Definitions

- Column 1* Premises and Operations—coverage under new ISO program. Companies under the old ISO program should include Owners, Landlords & Tenants, and Manufacturers & Contractors in this category.
- Column 2* Products and Completed Operations—coverage under new and old ISO program.
- Column 3* Commercial General Liability Excess Coverage—separate policy written over primary coverage or insured self-retention and marketed under the title of "excess" commercial general liability coverage.
- Column 4* Commercial Umbrella Coverage—separate policy written over one or more primary coverages and marketed under the title of "umbrella" coverage.
- Columns 5-11* If any of these selected classifications are written on a monoline basis, or as part of a package policy with separately rated premium, applicable premium, loss, and claims data for these classifications shall be separately identified and reported on this form.

Row Definitions

The amounts entered for each data element should cover only the policy year stated on the heading of the form evaluated at a stated point in time. For example, policy year 1992 evaluated as of December 31, 2001.

- Line 1* Enter the total number of claims closed without payment.
- Line 2* Enter the total number of legal actions filed.
- Line 3* Enter the total number of policies. Count each certificate issued under group policies as one policy. Also, count each endorsement providing commercial coverage under an otherwise personal lines policy as one policy, e.g., day care endorsement attached to a homeowner's policy.

Contact Person Print the name and phone number of the person responsible for this filing.

If applicable, print the name of the statistical agent which will be submitting your Part I data.

*Statistical
Agent*

Please send the reporting forms directly to Laura Iliff at the address in the upper right corner of the forms.

COMMERCIAL LIABILITY INSURANCE REPORT PART I

Ref: Section 601.422, Wis. Stat.

TO FILL OUT FORM, SEE ATTACHED INSTRUCTIONS

State of Wisconsin
Office of the Commissioner of Insurance
P. O. Box 7873
Madison, WI 53707-7873

Policy Year	Evaluated As Of	Company Name
-------------	-----------------	--------------

POLICY YEAR _____	Other Liability Categories or Types						Professional Liability		Special Categories				
Category or Type	OL&T (1)	M&C (2)	Premises & Ops. (3)	Products & C. Ops. (4)	Excess (5)	Umbrella (6)	Lawyers (7)	All Other (8)	Day Care (9)	Recrea- tional (10)	Municipal (11)	Pollution (12)	Liquor Liab. (13)
1. Direct premiums earned													
2. Exposure units (if applicable)													
3. Case reserves for outstanding claims													
4. Liability for claims incurred but not reported													
5. Loss adjustment expense liability for outstanding claims													
6. Paid losses													
7. Paid allocated loss adjustment expense													
8. Total claims paid count													
9. Total outstanding claims count													
10. Ultimate incurred losses including allocated LAE & IBNR													
11. Ultimate incurred losses including all LAE & IBNR													

Prepared By (please print)	Phone Number ()
----------------------------	-------------------------------

COMMERCIAL LIABILITY INSURANCE REPORT PART II

Ref: Section 601.422, Wis. Stat.

TO FILL OUT FORM, SEE ATTACHED INSTRUCTIONS

State of Wisconsin
Office of the Commissioner of Insurance
P. O. Box 7873
Madison, WI 53707-7873

Policy Year	Evaluated As Of	Company Name
-------------	-----------------	--------------

POLICY YEAR _____	Other Liability Categories or Types				Professional Liability		Special Categories				
Category or Type	Premises & Ops. (1)	Products & C. Ops. (2)	Excess (3)	Umbrella (4)	Lawyers (5)	All Other (6)	Day Care (7)	Recrea- tional (8)	Municipal (9)	Pollution (10)	Liquor Liab. (11)
1. Total claims closed without payment count											
2. Total count of legal actions filed											
3. Total number of policies											

Prepared By (please print)	Phone Number ()
----------------------------	------------------------------

Name of Statistical Agent (if applicable)
